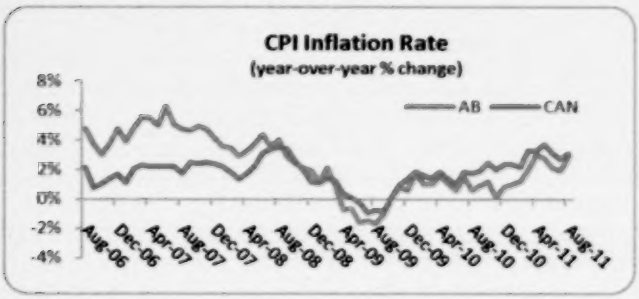
Consumer Price Index

Alberta's inflation heats up...

Alberta's CPI inflation rate jumped to 2.9% in August, from 1.9% in July, converging to the national rate. This jump was largely due to higher prices for electricity (33.8%) and gasoline (19.5%). Excluding food and energy, Alberta's inflation rate was 0.8%.

Nationally, the CPI inflation rate increased from 2.7% in July to 3.1% in August. Rising prices for gasoline and food purchased from stores accounted for most of the increase. The Bank of Canada's Core CPI rose to 1.9% in August from 1.6% in July. The Core CPI is what the Bank uses as an operational guide in achieving its target inflation of 2.0%.



Trade

Retail sales decline in Alberta for second straight month...

Seasonally adjusted Alberta retail sales fell in July to $5.2 billion, down 1.2% from June, but still up 5.5% year-over-year. The decline was mainly due to lower sales for new cars. In July, every province, except PEI and Nova Scotia, experienced declines in retail sales. Nationally, retail sales were down 0.6% in July, but rose 3.9% from July 2010.

Alberta wholesale sales stagnate ...

The value of Alberta's wholesale trade declined 0.2% to $5.9 billion (seasonally adjusted) in July but was up 15.3% from July 2010. Nationally, wholesale sales advanced 0.8% in July, mostly due to gains in the machinery, equipment and supplies subsector. Year-over-year, wholesale trade advanced 9.0%.

Employment Insurance

Number of EI claims down again ...

The number of employment insurance (EI) beneficiaries in Alberta declined 5.4% to 31,940 in July, the tenth consecutive monthly decrease. Year-over-year, the number of beneficiaries declined 32.6%, the largest drop in the country. Nationally, the number of EI beneficiaries was down 4.4% to 535,670 in July and 20.8% on a year-over-year basis.

Canadian Dollar (US¢/C$)		
4.6%	September 23, 2011	97.26
	September 16, 2011	101.90
	2011-12 Fiscal YTD Average	*102.90*
WTI Oil US$/bbl*		
9.2%	September 23, 2011	$79.85
	September 16, 2011	$87.96
	2011-12 Fiscal YTD Average	*$96.48*
Nymex Natural Gas US$/MMBtu*		
2.9%	September 23, 2011	$3.70
	September 16, 2011	$3.81
	2011-12 Fiscal YTD Average	*$4.24*

*Based on the closing price of the near month contract

Canadian Economy

Leading indicators unchanged for third month in a row...

The leading indicators index is a forward looking economic measure comprised of 10 components. Six of these components expanded in August, but the overall index remained unchanged, primarily due to losses in the TSX stock market and the housing index.

Canadian dollar dips below parity...

The Canadian dollar dropped 4.6% this week to close below parity with the US dollar for the first time since January.

US Economy

Fed commits to buying longer-term US Treasuries...

On Wednesday, the U.S. Federal Reserve (Fed) announced "Operation Twist", a policy where they will purchase $400 billion of longer-term US Treasuries and sell an equivalent amount of shorter-term Treasuries, in an effort to lower long-term interest rates. Markets reacted poorly to the Fed's accompanying statement, which noted "significant downside risks" to the global economy. Ten-year Treasury yields dropped to lows not seen since the 1940s.

Global Economy

World markets lose confidence...

Stock and commodity prices around the world tumbled this week in reaction to the Fed's bleak outlook on the global economy, which was reiterated by the World Bank and IMF. Concerns are rising about the future of European banks, as the European debt crisis deepens. Another issue weighing on global markets this week was weak data from the Chinese manufacturing sector, suggesting the Chinese economy may not be immune to the weakening global outlook.

Current Economic Indicators

	2009	2010	2011YTD*	Mar	Apr	May	June	July	Aug
Population									
Population [1] (000's) (level)	3,671	3,721	3,758	--	3,758	--	--	--	--
% change	2.2	1.4	1.5	--	1.5	--	--	--	--
Net Interprovincial Migraton [1] (level)	13,184	-2,183	8,940	--	5,275	--	--	--	--
Net International Migration [1] (level)	16,835	21,533	15,143	--	4,149	--	--	--	--
Net Non-permanent Residents [1] (level)	19,162	-77	-8,872	--	-504	--	--	--	--
Labour Market									
Employment (000's)	2,025	2,017	2,077	2,064	2,060	2,069	2,091	2,103	2,110
% change	-1.3	-0.4	3.3	3.4	2.9	2.8	3.5	3.8	4.2
Unemployment Rate (%)	6.6	6.5	5.7	5.7	5.9	5.4	5.6	5.5	5.6
Participation Rate (%)	74.3	72.9	73.5	73.2	73.2	72.9	73.7	73.9	74.1
Average Weekly Earnings ($)	950.01	993.13	1032.90	1031.15	1032.26	1035.77	1041.45	--	--
% change	2.8	4.5	5.2	5.3	3.3	4.8	5.0	--	--
Price Indices									
Consumer Price Index NEW!	-0.1	1.0	2.1	2.0	3.0	2.8	2.1	1.9	2.9
Excluding food and energy	1.4	0.8	0.6	1.1	0.4	0.8	0.2	0.4	0.8
Non-Res. Building Cons. Price Index [2]	-9.6	-0.1	3.1	--	2.6	--	--	--	--
Farm Product Price Index	-10.6	-3.9	17.2	19.3	17.0	11.4	--	--	--
Crops	-18.9	-14.5	17.2	18.0	19.4	19.8	--	--	--
Livestock	-2.8	5.7	18.4	20.0	16.1	10.6	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	23.4	20.9	22.3	25.3	23.6	24.3	29.1
% change	-31.6	33.5	-17.3	-39.4	-24.1	-14.5	-11.9	-17.1	23.8
New Housing Price Index	-9.0	0.5	0.4	0.5	0.1	0.3	0.3	0.1	--
Edmonton	-11.2	-0.6	0.9	1.2	0.4	0.7	1.2	1.1	--
Calgary	-6.7	1.7	0.0	-0.1	-0.2	0.0	-0.3	-0.8	--
MLS Average Resale Prices ($ 000's)	340.5	350.9	353.9	348.8	360.1	351.7	351.7	353.6	356.3
% change	-3.1	3.1	0.3	-1.9	0.6	-2.4	-1.3	0.4	2.3
Edmonton	319.1	326.5	323.5	320.2	326.4	322.7	322.6	326.1	325.1
% change	-3.5	2.3	-2.0	-4.6	-4.2	-3.0	-1.8	0.0	-1.4
Calgary	384.3	397.4	401.3	393.4	404.4	403.7	399.3	399.2	404.8
% change	-4.2	3.4	0.8	-0.8	2.2	-1.3	-2.3	-0.9	3.4
Retail Sales NEW!	-8.3	6.0	5.8	4.3	7.5	7.9	7.4	5.5	--
New Motor Vehicle Sales	-21.7	9.3	8.1	11.4	9.0	6.8	16.6	5.8	--
Consumer Bankruptcies	9,986	8,150	3,800	680	640	617	649	--	--
% change	64.6	-18.4	-11.4	-12.4	-14.0	-8.2	-16.6	--	
Business Sector									
Rigs Drilling	128	207	259	366	123	84	150	240	323
% change	-45.6	61.3	40.0	66.6	100.4	50.4	26.9	20.8	45.2
Goods Exports (customs based)	-36.6	12.4	14.0	18.5	9.1	13.2	17.0	19.4	--
Energy	-40.2	17.2	15.5	21.6	6.5	15.8	17.8	23.5	--
Agriculture	-12.3	-14.4	4.5	-3.4	11.6	3.7	-0.3	8.4	--
Total Farm Cash Receipts (quarterly)	-8.0	-3.9	15.9	--	-11.1	--	--	--	--
Manufacturing Shipments	-23.7	11.0	16.3	16.7	19.5	16.3	16.1	15.4	--
Wholesale Trade NEW!	-15.9	10.8	14.5	13.3	9.7	17.0	18.6	15.3	--
Building Permits	-14.2	2.1	0.3	-12.6	-22.3	11.7	-14.9	17.7	--
Residential	-11.8	24.7	-10.0	-4.5	0.2	-10.2	-3.6	9.3	--
Non-residential	-16.3	-19.0	15.9	-24.4	-49.0	51.9	-26.1	31.6	--
Business Bankruptcies	405	378	117	26	17	22	16	--	--
% change	-9.4	-6.7	33.9	-45.8	-54.1	-37.1	-27.3	--	--

Government of Alberta ■
Finance and Enterprise

Alberta ■

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

1 Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

2 Quarterly, average of Calgary and Edmonton

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province